

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>CONSUMERS ENERGY COMPANY and CMS</b>	)	
<b>GENERATION MICHIGAN POWER LLC</b> for a	)	
certificate of public convenience and necessity to	)	Case No. U-18422
construct and operate a 12-inch lateral gas pipeline	)	
(Kalamazoo River Lateral).	)	
_____	)	

At the August 23, 2017 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. Norman J. Saari, Commissioner  
Hon. Rachael A. Eubanks, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On June 22, 2017, Consumers Energy Company (Consumers) and CMS Generation Michigan Power LLC (Michigan Power) (together, Joint Applicants) filed an application, with supporting exhibits, pursuant to 1929 PA 9, MCL 483.101 *et seq.* (Act 9), requesting that the Commission grant a certificate of public convenience and necessity to construct and operate a proposed natural gas pipeline from an interconnect with Panhandle Eastern Pipeline Company (PEPL) to an interconnect with Michigan Power's electric generating facility located in Comstock, Michigan. Subsequently, the Joint Applicants and the Commission Staff entered into a settlement agreement, attached as Exhibit A.

According to the application and settlement agreement, the proposed pipeline will consist of approximately one mile of 12" nominal diameter, steel pipeline (Kalamazoo River Lateral) and

will be located in Kalamazoo County. The Kalamazoo River Lateral will include facilities necessary for interconnection with a PEPL meter station in Section 29, T2S, R10W, Comstock Township, Kalamazoo County, but will exclude facilities owned by PEPL. The Kalamazoo River Lateral will also include facilities necessary for interconnection with the existing Michigan Power plant fuel station in Section 20, T2S, R10W, Comstock Township, Kalamazoo County. The Kalamazoo River Lateral will be used to transport natural gas to the Michigan Power generating plant for the purpose of generating electricity.

After Michigan Power's construction of the Kalamazoo River Lateral to Consumers' reasonable specifications, and prior to the operation of the pipeline, Michigan Power will transfer title of the Kalamazoo River Lateral to Consumers. Consumers will then own and operate the Kalamazoo River Lateral. The Joint Applicants agree that the transfer of title of the Kalamazoo River Lateral to Consumers will include all rights of way and easements along the route of the pipeline. The Joint Applicants have agreed that the transfer of title to the pipeline will be made in exchange for Consumers' payment to Michigan Power of the actual cost incurred in the design, engineering, procurement, construction, testing, and start-up of the Kalamazoo River Lateral.

Transportation service tariffs are not available for service provided with the Kalamazoo River Lateral, because the pipeline will not be connected to the company's system. After the Kalamazoo River Lateral is constructed, conveyed to Consumers, and in commercial operation, Consumers will transport natural gas for Michigan Power, or its assigns, pursuant to a gas transportation contract that will be filed with the Commission pursuant to Act 9. The rates for the gas transportation service provided pursuant to the Act 9 contract will be based on the capital cost of providing service on the pipeline. The settlement agreement provides that the rates will be

designed to recover all costs associated with Consumers' acquisition of the Kalamazoo River Lateral and will be exclusively borne by Michigan Power.

The settlement agreement provides that upon the transfer of the Kalamazoo River Lateral from Michigan Power to Consumers, Michigan Power shall be responsible for all costs associated with operating and maintaining the Kalamazoo River Lateral, including any upgrades to or investments in the Kalamazoo River Lateral as necessary to serve Michigan Power, costs associated with the proposed interconnection with PEPL, and the existing metering and regulation station facilities. These costs will be recovered pursuant to a maintenance and services agreement to be executed by the Joint Applicants.

The Commission has reviewed the joint application, exhibits, and settlement agreement, and finds that the settlement agreement is reasonable, in the public interest, and it should be approved. The Commission finds that the map, route, and type of construction are reasonable and should be approved, subject to such minor changes in location as Michigan Power may find necessary upon actual construction. The Commission finds that the Kalamazoo River Lateral, when constructed and in operation, will serve the convenience and necessity of the public.

The Commission finds that there will be minor impairment to the environment if the pipeline is constructed as proposed, but there is no other feasible and prudent alternative to this impairment. According to the environmental assessment, attached as Appendix D to the settlement agreement, 43% of the project runs through non-sensitive upland habitat areas, with the remaining 57% running through wetland that is not considered rare or of special significance. There are also three intermittent stream crossings, and the report indicates that it is anticipated that the pipeline route will be directionally drilled beneath all streams and

adjacent wetlands. The report also indicated that there were no endangered species, sensitive habitat, or cultural resources along the pipeline route; however, there was some steeply sloping topography present on 13% of the route, which may require erosion control measures to be undertaken during the construction phase of the project.

Having reviewed the joint application and environmental report, the Commission concludes that, given the mitigation steps Michigan Power will employ to minimize adverse environmental impacts, any environmental impairment caused by the proposed pipeline is *de minimis* and is consistent with the promotion of the public health, safety, and welfare in light of the state's paramount concern for the protection of its natural resources from pollution, impairment, or destruction. The filed application, exhibits and settlement agreement support the required agency review and environmental obligations of the Commission that inure from the Michigan Environmental Protection Act, Part 17 of the Natural Resources Environmental Protection Act, MCL 324.101 *et seq.* The Commission notes, however, that a finding of public convenience and necessity pursuant to Act 9 does not determine that the proposed project complies with any other applicable statute or environmental review.

The Commission finds that *ex parte* approval of the settlement agreement may be granted without the time and expense of a public hearing, because all easements have been obtained and no customer rates will increase as a result of the Commission's approval of the settlement agreement.

THEREFORE IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. CMS Generation Michigan Power LLC is authorized to construct and transfer to Consumers Energy Company the 12-inch Kalamazoo River Lateral, and Consumers Energy

Company is authorized to operate the pipeline as proposed in the June 22, 2017 joint application and subject to the terms of the settlement agreement.

C. The map, route, and type of construction of the 12-inch Kalamazoo River Lateral as proposed by CMS Generation Michigan Power LLC and Consumers Energy Company are approved.

D. CMS Generation Michigan Power LLC shall make all filings and provide the Commission Staff all information as set forth in the reporting requirements in Appendix E of the settlement agreement.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General – Public Service Division at [pungpl@michigan.gov](mailto:pungpl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Norman J. Saari, Commissioner

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Rachael A. Eubanks, Commissioner

By its action of August 23, 2017.

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Kavita Kale, Executive Secretary

## **EXHIBIT A**

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of )  
CONSUMERS ENERGY COMPANY )  
And CMS GENERATION )  
MICHIGAN POWER LLC )  
for a Certificate of Public Convenience and )  
Necessity to Construct and Operate a )  
12-inch Lateral Gas Pipeline )  
(Kalamazoo River Lateral) )  
\_\_\_\_\_)

Case No. U-18422

**SETTLEMENT AGREEMENT**

On June 22, 2017, Consumers Energy Company (“Consumers Energy” or the “Company”) and CMS Generation Michigan Power LLC (“Michigan Power”) (jointly referred to as the “Joint Applicants”) filed a Joint Application with the Michigan Public Service Commission (“MPSC” or the “Commission”), pursuant to 1929 Public Act 9, MCL 483.101 *et seq.* (“Act 9”), for a Certificate of Public Convenience and Necessity for the construction and operation of a proposed natural gas pipeline from an interconnect with Panhandle Eastern Pipeline Company (“PEPL”) to an interconnect with Michigan Power’s existing electric generating facility.

For purposes of settlement of all issues in Case No. U-18422, the MPSC Staff (“Staff”), Consumers Energy, and Michigan Power (collectively referred to as the “Parties”) agree and stipulate as follows:

1. Michigan Power owns and operates the Kalamazoo River Generation Station, a gas-fired electric generating plant with a rated capacity of 68 MW located in Comstock, Michigan (“Plant”).



2. Consumers Energy currently provides natural gas transportation service to the Plant pursuant to an MPSC-approved natural gas transportation tariff. Consumers Energy is unable to supply a firm delivery of natural gas to the Plant when ambient temperatures fall below certain thresholds during the months of October through April. The Joint Applicants have therefore previously agreed to ambient temperature restrictions associated with Consumers Energy's provision of natural gas service to the Plant. In order to eliminate the temperature restrictions, gas transmission improvements are necessary. In order to remedy the ambient temperature issue and to provide the Plant natural gas service which will accommodate its current and anticipated natural gas needs, the Joint Applicants have agreed that Michigan Power will arrange for the construction of approximately 1.0 mile of 12" nominal steel natural gas pipeline ("Kalamazoo River Lateral" or the "Pipeline") in Kalamazoo County. The Kalamazoo River Lateral will include facilities necessary for interconnection with a PEPL meter station in Section 29, T2S, R10W, Comstock Township, Kalamazoo County, but will exclude facilities owned by PEPL. The Kalamazoo River Lateral will also include facilities necessary for interconnection with the existing Plant fuel station in Section 20, T2S, R10W, Comstock Township, Kalamazoo County. The map showing the proposed route of the Kalamazoo River Lateral is attached to this Settlement Agreement as Appendix A. The Parties agree that the Kalamazoo River Lateral will be used to transport natural gas to the Plant for the purpose of the generation of electricity.

3. The Parties agree that, conditioned upon and subject to the approval of the MPSC, after Michigan Power's construction of the Kalamazoo River Lateral to Consumers Energy's reasonable specifications, and prior to the operation of the Pipeline, Michigan Power will transfer title to the Kalamazoo River Lateral to Consumers Energy. Consumers Energy will then own and operate the Kalamazoo River Lateral. The transfer of title to the Kalamazoo River

Lateral to Consumers Energy will include all rights-of-way and easements along the route of the Pipeline. The Parties agree that the transfer of title to the Pipeline will be made in exchange for Consumers Energy's payment to Michigan Power of the actual cost incurred in the design, engineering, procurement, construction, testing, and start-up of the Kalamazoo River Lateral; such cost to be documented to Consumers Energy's reasonable satisfaction.

4. Michigan Power agrees to comply with all applicable MPSC, and other, regulatory requirements in its construction of the Kalamazoo River Lateral, including but not limited to, all applicable safety and environmental requirements. Michigan Power agrees to obtain all necessary permits (environmental or otherwise) and rights-of-way necessary for the construction and operation of the Kalamazoo River Lateral prior to construction. Michigan Power agrees to be responsible for all issues regarding construction of the Kalamazoo River Lateral prior to the date of transfer to Consumers Energy including, but not limited to, obtaining workspace rights and payments for claims or damages arising out of the construction of the Kalamazoo River Lateral prior to the date of transfer to Consumers Energy. Michigan Power agrees to obtain all necessary local, state, or federal permits and all rights of way necessary for construction and operation of the Kalamazoo River Lateral prior to the date of transfer to Consumers Energy.

5. Michigan Power agrees that all designs and material specifications of the Kalamazoo River Lateral shall be in accordance with the Michigan Gas Safety Standards<sup>1</sup>, applicable federal, state, and local regulations, Consumers Energy standards and specifications as agreed upon between Consumers Energy and Michigan Power, and delivered in writing to Michigan Power, including but not limited to, the Transmission Engineering Manual and

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<sup>1</sup> The Parties agree that filings in this Case that refer to the 22<sup>nd</sup> Edition of the Michigan Gas Safety Standards are incorrect; the 23<sup>rd</sup> Edition is the correct reference.

Transmission Pipeline Construction Specifications. Michigan Power agrees that the Kalamazoo River Lateral shall be designed, constructed, and tested to qualify for a maximum allowable operating pressure of not less than 960 psig. Within 30 days after the ready-for-service date for the Kalamazoo River Lateral, Michigan Power agrees to provide Consumers Energy all as-built information, including but not limited to, as-built drawings, all material and hydrotest records, all required documentation for operation and maintenance of the Kalamazoo River Lateral, and such further documentation as may be required by the MPSC or agreed upon by the Joint Applicants. Specifications for the Proposed Pipeline are set forth on Appendix B to this Settlement Agreement. In addition, Michigan Power agrees to procure PSL 2 pipe in accordance with API Specification 5L. Michigan Power agrees to, where applicable, obtain the Global Positioning System coordinates of all girth weld locations after the Kalamazoo River Lateral has been placed in the trench but before it has been backfilled. This requirement shall not apply in bore areas.

6. Michigan Power agrees to complete all hydrostatic testing and x-ray inspection of welded pipe joints of the Kalamazoo River Lateral and such further and additional requirements as may be agreed to by the Parties.

7. Michigan Power agrees that it shall be responsible to arrange for and obtain the construction of the interconnection between the Kalamazoo River Lateral and the PEPL West Line pipeline, and that it shall be responsible for all costs associated with engineering, design, constructing, operating, and maintaining this interconnection that are not covered by PEPL.

8. The Parties agree that after construction of the Kalamazoo River Lateral is completed and the Pipeline has been satisfactorily tested for conformity with all applicable requirements, but before commercial operation of the Kalamazoo River Lateral, Michigan Power will transfer title to Consumers Energy by bill of sale together with appropriate assignment of

easements, rights of way, permits, and related documentation. The Parties agree that Consumers Energy will thereafter own and operate the Kalamazoo River Lateral from the proposed interconnection with PEPL between East ML Avenue and I-94 to the metering and regulation station at the Plant.

9. Michigan Power has estimated that the cost of the proposed Kalamazoo River Lateral will be approximately \$3 million. Appendix C hereto sets forth a breakdown of this cost estimate.

10. Michigan Power has undertaken an environmental assessment for the Kalamazoo River Lateral. The environmental assessment concluded that construction of the Kalamazoo River Lateral will have no significant adverse impact on the environment. A copy of the Environmental Report is Appendix D hereto.<sup>2</sup>

11. The Parties agree that the Kalamazoo River Lateral will not be connected to Consumers Energy's existing natural gas transmission system and will not utilize the integrated natural gas pipeline system of Consumers Energy. As a result, balancing of gas supplied with gas consumed by Michigan Power will not be available using Consumers Energy's gas system. Transportation service tariffs are not available for service provided with the Kalamazoo River Lateral, as it will not be connected to the Company's system. The Parties agree that after the Kalamazoo River Lateral is constructed, owned by Consumers Energy, and in commercial operation, Consumers Energy will transport natural gas for Michigan Power, or its assignees, pursuant to a gas transportation contract which will be filed with the MPSC pursuant to Act 9. The Parties agree that the rates for the gas transportation service provided pursuant to the Act 9

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<sup>2</sup> The Parties agree that the Environmental Assessment incorrectly states on page 4, Item 4.1, that the Kalamazoo River Lateral will be located entirely on privately-owned property. The Parties note that as indicated on the map of the proposed pipeline attached hereto as Appendix A, the Kalamazoo River Lateral will cross the Interstate I-94 freeway.

contract will be based on Consumers Energy's capital cost of providing service on the Pipeline. The Applicants agree that the rates will be designed to recover all costs associated with Consumers Energy's acquisition of the Kalamazoo River Lateral and will be exclusively borne by Michigan Power.

12. Upon the transfer of the Kalamazoo River Lateral from Michigan Power to Consumers Energy, the existing Service Contract between Applicants dated April 1, 1999 will be replaced with a Maintenance Services Agreement under which Michigan Power agrees that it shall be responsible for all costs associated with operating and maintaining the Kalamazoo River Lateral as necessary to serve Michigan Power, including but not limited to, any upgrades to or investments in the Kalamazoo River Lateral, costs associated with the proposed interconnection with PEPL, as well as the existing metering and regulation station facilities.

13. The Parties agree that no later than one year after the in-service date of the Kalamazoo River Lateral, an in-line inspection of the pipeline will be conducted. Specifically, the Parties agree that the inspection shall consist of a geometry tool capable of detecting dents or other anomalous conditions that may have arisen during construction of the pipeline. The Parties agree that remediation of dents shall occur in accordance with 49 CFR Part 192 and Subpart O and ASME B31.8S versions adopted as part of project completion. Michigan Power agrees that it shall be responsible for the costs of such inspection and any required remediation.

14. The Parties agree that not later than three months after the in-service date of the Kalamazoo River Lateral, an above-ground electrical survey of the Kalamazoo River Lateral will be performed. Specifically, this inspection will attempt to identify defects in the pipeline coating that could cause future corrosion if not addressed. The Parties agree that all detected anomalies that become anodic when the cathodic protection system is off shall be remediated within one

year after detection. The Parties further agree that within six months of the electrical survey, the data gained from the electrical survey will be used to place external corrosion control test stations at any identifiable and significant dips in electric potential in accordance with 49 CFR 192.469. Michigan Power agrees that it shall be responsible for the costs of the referenced electrical inspection, any required remediation and any required corrosion control test stations.

15. Michigan Power agrees to comply with the reporting requirements requested by Staff, which are set forth on Appendix E.

16. The Parties agree that the proposed Kalamazoo River Lateral and related facilities are necessary for the efficient conduct of Consumers Energy's public utility business and will serve the public interest. The Parties agree that the proposed Kalamazoo River Lateral will allow Consumers Energy to provide gas transportation service to Michigan Power in a cost-effective manner which avoids the need for more extensive and costly investments in Consumers Energy's natural gas infrastructure which would be necessary to meet Michigan Power's natural gas transportation needs in the absence of the proposed Kalamazoo River Lateral. The Parties agree that the Kalamazoo River Lateral will allow Michigan Power to have adequate and cost-effective access to natural gas.

17. Michigan Power agrees to begin construction of the proposed Kalamazoo River Lateral as soon as practicable after being authorized to do so. Michigan Power anticipates performing construction of the proposed Kalamazoo River Lateral in 2017. The Joint Applicants intend for the Kalamazoo River Lateral to be operational no later than December 2017.

18. Michigan Power agrees that rights of way have been, or will be, secured across all privately owned parcels through which the proposed Kalamazoo River Lateral will be

constructed. Michigan Power agrees that permits for all road crossings will be secured from appropriate state and county authorities.

19. Michigan Power agrees to secure permits for watercourse and wetland crossings from the Michigan Department of Environmental Quality (“MDEQ”) as necessary. Permits for drain crossings will be secured from county drain commissions as necessary. Michigan Power agrees to obtain Soil Erosion and Sedimentation Control permits from Kalamazoo County, and to secure grading permits from appropriate authorities. Michigan Power agrees to obtain necessary permits from the MDEQ for withdrawing and discharging hydrostatic test waters.

20. Michigan Power agrees to obtain all other necessary permits or approvals from the appropriate state and county authorities, including but not limited to the MDEQ, the Michigan Department of Natural Resources, the Michigan Department of Transportation, the Michigan State Historic Preservation Office, county drain commissions, and county road commissions, prior to construction, or to construct the proposed pipeline so that permits from these agencies are not required.

21. Michigan Power has caused to be performed a review of the National Register of Historic Places Program Database and the Michigan State Historic Preservation Office (“SHPO”) regulations to assess the potential for archeological resources in the area of the proposed project. Based on the review of the information performed, no properties on the National Register of Historic Places were identified within a one (1) mile radius of the project site. The Michigan SHPO only requires review activities of historic places and cultural resources under Section 106 of the National Historic Preservation Act of 1966 if federal actions are involved in the project. Section 106 applies only if a federal agency is carrying out the project, approving it, or funding it. If construction activities occur within a regulated wetland, a

MDEQ/United States Army Corps of Engineers (“USACE”) Joint Permit will be required. In this case, the USACE conducts a Section 106 review on behalf of the applicant before permit authorization is granted. If other federal funding or permitting is involved other than a USACE permit, Michigan Power agrees to undertake any required review of Michigan SHPO records and/or complete a pedestrian survey to evaluate the need for further investigation. A letter documenting Michigan Power’s consultant’s conclusion regarding the matters addressed in this paragraph is attached to this Settlement Agreement as Appendix F.

22. An estimate of Consumers Energy’s anticipated revenue requirements, operating expenses, and earnings associated with the proposed Kalamazoo River Lateral for a five-year period is attached as Exhibit F to the Joint Application.

23. The Joint Applicants agree that the rates for the gas transportation service provided by Consumers Energy to Michigan Power after completion of the proposed Kalamazoo River Lateral will be based on the costs of constructing the Pipeline, and will be fully recovered from Michigan Power in the rates charged pursuant to an Act 9 contract for off-system natural gas transportation service which will be filed with the Commission. The Joint Applicants agree that the rates to be established in the Act 9 natural gas transportation contract will reflect Consumers Energy’s normal asset recovery costs including return, taxes, depreciation, and cost of removal, as are typically recovered in natural gas transportation rates. The Joint Applicants agree that Consumers Energy’s costs of operating and maintaining the Kalamazoo River Lateral will be recovered through a Maintenance Services Agreement referenced in paragraph 12 of this Settlement Agreement, which will also cover the costs of any additional investments made to the Kalamazoo River Lateral as necessary to serve Michigan Power, which are made after the transfer of title to Consumers Energy.



24. The Parties agree that the MPSC should find and determine that the proposed Kalamazoo River Lateral, when constructed and in operation, will serve the convenience and necessities of the public and should issue an appropriate order authorizing Michigan Power to construct the proposed Kalamazoo River Lateral and to transfer the pipeline to Consumers Energy, after which Consumers Energy shall be authorized to operate the Kalamazoo River Lateral to provide natural gas transportation service to Michigan Power.

25. The Parties agree that the MPSC should approve the route of the proposed Kalamazoo River Lateral and the map showing the route which is attached hereto as Appendix A, subject, however, to such changes in location as Michigan Power may find necessary upon actual construction.

26. The Parties agree the MPSC should approve the specifications for the proposed Kalamazoo River Lateral which are set forth in Appendix B hereto;

27 The Parties agree the MPSC should approve the terms and conditions set forth in this Settlement Agreement and cost estimate set forth in Appendix C hereto;

28 The Parties agree the MPSC should determine the proposed Kalamazoo River Lateral will not have a significant adverse effect on the environment as indicated in Appendix D hereto. The Parties agree that although there will be minor impairment to the environment if the pipeline is constructed as proposed, there is no other feasible and prudent alternative to this impairment. Given mitigation steps Michigan Power will employ to minimize adverse environmental impacts, any environmental impairment caused by the proposed pipeline is “*de minimis*” and is consistent with the promotion of the public health, safety, and welfare in light of the state’s paramount concern for the protection of its natural resources from pollution, impairment, or destruction. The Parties agree that the Commission should find that the filed

Joint Application and exhibits, and commitments set forth in this Settlement Agreement, support and satisfy the required agency review and environmental obligations of the Commission that inure from the Michigan Environmental Protection Act, Part 17 of the Natural Resources Environmental Protection Act, MCL 324.101 et seq., (“MEPA”) and the Michigan Supreme Court’s application of MEPA in *State Hwy Comm v Vanderkloot*, 392 Mich 159 (1974). This does not bind the findings and determinations of the applicable state and county authorities referenced in paragraph 20 of this agreement.

29. The Parties agree that the Commission should approve the Joint Applicants’ request for authority to construct and operate the Kalamazoo River Lateral and should determine that such pipeline, when constructed and operated, will serve the convenience and necessities of the public.

30. The Parties request that the Commission issue an order: (i) approving this Settlement Agreement; (ii) authorizing Michigan Power to construct and transfer to Consumers Energy the proposed Kalamazoo River Lateral subject to the terms in this Settlement Agreement; (iii) approving the route of the proposed Kalamazoo River Lateral and the map showing the route which was filed as Exhibit B to the Joint Application, and as Appendix A to this Settlement Agreement, subject to such changes in location as Michigan Power may find necessary upon actual construction; (iv) approving the type of construction proposed by the Joint Applicants; (v) authorizing Consumers Energy to operate the Kalamazoo River Lateral pursuant to the terms of this Settlement Agreement; and (vi) finding that such line, when constructed and in operation, will serve the convenience and necessities of the public.

31. The Parties agree that the relief requested in this Application may be granted without the time and expense of a public hearing, and that no customer rates will increase as a result of the relief requested in this Application.

32. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this Settlement Agreement nor the Commission shall make any reference to, or use of, this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

33. This Settlement Agreement is based on the facts and circumstances of this case and is intended for final disposition of Case No. U-18422. So long as the Commission approves this Settlement Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. Except as otherwise set forth herein, the Parties agree and understand that this Settlement Agreement does not limit any person's right to take new and/or different positions on similar issues in other administrative proceedings, or appeals related thereto.


34. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any

part of the record in this proceeding or be used for any other purpose, and shall be without prejudice to the pre-negotiation positions of the parties.


35. The Parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest.

WHEREFORE, the undersigned parties hereto respectfully request the Michigan Public Service Commission to approve this Settlement Agreement on an expeditious basis and to make it effective in accordance with its terms by final order.

**CONSUMERS ENERGY COMPANY**

By:  Digitally signed by  
Kelly M. Hall  
Date: 2017.08.02  
11:20:58 -04'00' Date: August 2, 2017  
Kelly M. Hall (P48083)  
One Energy Plaza  
Jackson, Michigan 49201  
Attorney for Consumers Energy Company  
(517) 788-2910

**CMS GENERATION MICHIGAN POWER LLC**

By:  Digitally signed by Adam C. Smith  
Date: 2017.08.02 11:21:40 -04'00' Date: August 2, 2017  
Adam Smith (P69790)  
One Energy Plaza  
Jackson, Michigan 49201  
Attorney for CMS Generation Michigan Power LLC  
(517) 788-0684

**MICHIGAN PUBLIC SERVICE  
COMMISSION STAFF**

By: \_\_\_\_\_

Michael J. Orris, Esq.  
Assistant Attorney General  
7109 West Saginaw Highway  
Post Office Box 30221  
Lansing, MI 48909

Date: \_\_\_\_\_

# APPENDIX A

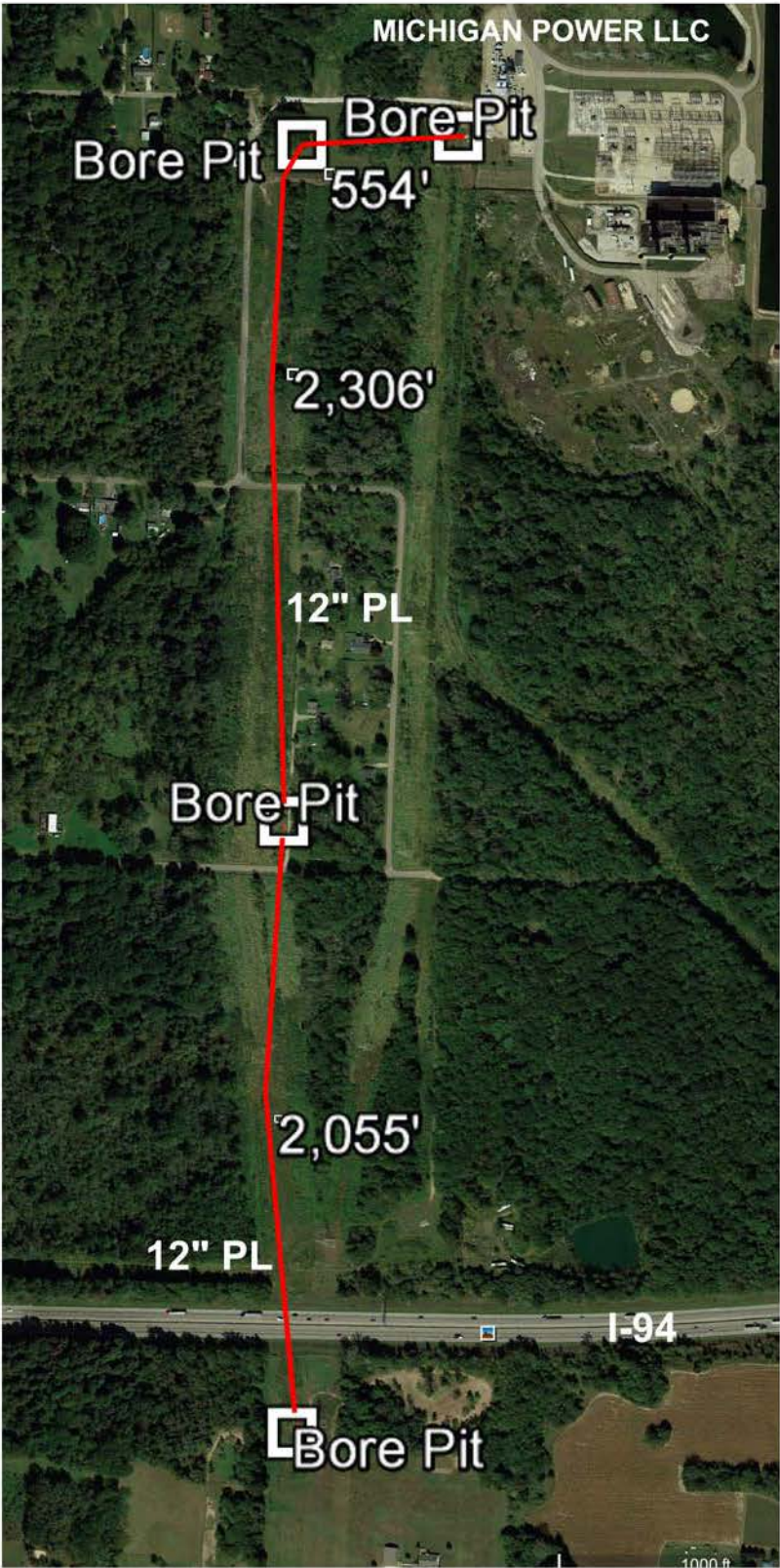


EXHIBIT B		CMS GENERATION MICHIGAN POWER LLC KALAMAZOO RIVER LATERAL			
		12" PIPELINE ROUTE MAP			
DRAWN:	APPROVED:	SCALE:	NONE	W.O.	DRAWING NO.
DO NOT SCALE DRAWING USE DIMENSIONS ONLY		DATE:	6-12-2017		
				SHEET	REV

# APPENDIX B



## **EXHIBIT C**

### **PIPELINE SPECIFICATIONS**

#### **CMS GENERATION MICHIGAN POWER LLC**

#### **PROPOSED KALAMAZOO RIVER LATERAL**

#### **I. OVERVIEW OF PROJECT**

The proposed Kalamazoo River Lateral will transport gas from Panhandle Eastern Pipeline Company (PEPL) in Section 29, T2S, R10W, Comstock Township, Kalamazoo County to an interconnect with the CMS Generation Michigan Power LLC (Michigan Power) facility in Section 20, T2S, R10W, Comstock Township, Kalamazoo County.

The entire pipeline lies within a moderately developed area. The proposed route is not within an incorporated or unincorporated city, town, or village, nor does it traverse through any designated public place or designated subdivision, community development or shopping center or similar public place. The proposed pipeline will be located in a Class 2 area as defined by Title 49, Code of the Federal Regulations (49 CFR) Part 192, Subpart A as adopted by the Michigan Gas Safety Standards. However the pipeline will be designed to Class 3 area standards (.5 Design Factor) extending the road crossing requirements to the entire length of the pipeline

The Applicant attests that the line will be constructed to standards that meet or exceed the Michigan Gas Safety Standards 22nd edition. In addition, all permits required for the work will be acquired from the appropriate governing agency.

#### **II. ROUTE**

Applicant proposes to construct approximately 1.0 miles of 12.75" O.D. steel natural gas pipeline, called the "Kalamazoo River Lateral", in Kalamazoo County. The Kalamazoo River Lateral will transport gas from the PEPL tap site to its point of termination with the Michigan Power facility.

### III. MATERIALS

The following materials will be used in the construction of the pipeline:

A.	Pipe Specification	API 5L
B.	Pipe Outside Diameter	12.75"
C.	Avg. Wall Thickness	.375"
D.	Specified Minimum Yield	35,000
E.	Joint Type	ERW
F.	Joint Length	Double Random
G.	Pipe Coating	Fusion Bonded Epoxy
H.	Joint Coating	Heat Shrink Sleeve or Tape
I.	Flange Fittings	ANSI 600
J.	Threaded Fittings	3000# Minimum

The above pipe specification meets the requirements of the Michigan Gas Safety Code, 22nd Edition. The pipe utilized in the construction will be new pipe.

### IV. OPERATING DATA

The data below represent expected operating conditions.

A.	Maximum Allowable Operating Pressure	1029 psig
B.	Normal Operating Pressure	490 psig
C.	Shut In Pressure	1029 psig
D.	Meter Type	Ultra-sonic
E.	Minimum Ground Cover	36" minimum
F.	Ground Cover at Ditches	36" minimum
G.	Line Crossings	24" minimum clearance
H.	Road Crossings	3
I.	Highways	1
K.	Active Railroads	0
L.	River Crossings	3
M.	Maximum Design Temperature	100° F
N.	Minimum Design Temperature	-20° F
O.	Expected Operating Temperature	30° F to 100° F

### V. PIPE DESIGN

The pipeline route traverses through a moderately developed route considered Class 2. Due to the uncased road crossings, the design factor must be reduced from .60 to .50 at road crossings. However the entire facility will be constructed to a .50 design factor. The operating temperature design factor is 1. The longitudinal joint factor for the pipe is

1.0. For the pipe proposed, the maximum allowable operating pressure is 1029 psig along the route with a .5 design factor. Overpressure protection will be provided by the facility relief valves.

## **VI. FLOW METERING**

An approved custody transfer meter in accordance with AGA Report No. 3 latest edition will meter the flow. Electronic transmitters and flow analyzers will document the flow.

## **VII. PIPELINE MAXIMUM DESIGN AND EXPECTED OPERATING PRESSURE**

Assuming a minimum test pressure of 1544 psig, the maximum allowable operating pressure for the pipeline will be 1029 psig based on a 1.5 test factor.

The pipe is the limiting component in the system and ANSI 600 fittings as their maximum allowable operating pressure of 1480 psig at 100 F is higher than the pipe MAOP.

## **VIII. TESTING OF INSTALLATION**

A.	Test Medium	Water
B.	Minimum Test Pressure	1544 psig
C.	Test Duration	8 hour minimum
D.	Pressure Charting Method	Dead Weight with Chart
E.	Weld Visual Inspection	100%
F.	Weld Joint Inspection	100% minimum butt welds by radiography
G.	Pipe Coating Inspection	100% jeeped

The test outlined above complies with or exceeds Rules 192.241, 192.243 and 192.505.

## **IX. CORROSION PROTECTION**

The pipeline will be electrically isolated at receipt points and at the delivery point with insulating gaskets, stud sleeves and washers.

The Kalamazoo River Lateral will have additional cathodic protection by use of an imposed rectifier system in compliance with Subpart I of the Michigan Gas Safety Code.

## **X. ROAD AND HIGHWAY CROSSINGS**

Paved road crossings will be bored and uncased unless the county road commission dictates a cased crossing. Unpaved road crossings will be open cut.

## **XI. STREAM AND DRAIN CROSSINGS**

There are numerous wetland crossings and three small tributary crossings. As described in Exhibit E, the overwhelming majority of wetlands will be bored this includes the three small streams identified.

## **XII. RAILROAD CROSSINGS**

There are no railroad crossings.

## **XIII. BENDS**

Bends will be made in the field by the cold bend method in accordance with the standards of the Michigan Gas Safety Code. Alternatively, purchased bends will be used.

## **XIV. TRENCHING AND PIPE LAYING**

The proposed Kalamazoo River Lateral will be installed via trenching or boring. A minimum of 36" of cover will be provided regardless of the installation method. If required, backfill will be placed so that settlement does not occur after restoration of the right of way.

## **XV. PIPE FABRICATION AND JOINING SPECIFICATIONS**

All fabrication shall be welded except for any control devices or instrumentation. Welded joints will meet or exceed the standards outlined in the Michigan Gas Safety Code and the quality standards of API Standard 1104. The weld acceptance criterion shall meet or exceed the standard for API Standard 1104 latest edition.

## **XVI. MAPS AND RECORDS**

Once the proposed pipeline is finished, maps and records will be made available to the Commission with the exact location of the pipeline and other details of construction.

# APPENDIX C

<b>EXHIBIT D</b>
------------------

## **KALAMAZOO RIVER LATERAL COST ESTIMATE**

### **1.00 MILE PIPELINE OF 12.57" X .375' GR-B FBE**

<b>ITEM</b>	<b>COST</b>
ENGINEERING & SURVEYING	\$185,000
LAND	\$23,000
PERMIT COSTS & ENVIRONMENTAL	\$70,000
INSPECTION	\$106,690
RADIOGRAPHIC INSPECTION	\$35,000
INSTALLATION & FABRICATION	\$1,315,000
CATHODIC INSPECTION & INSTALLATION	\$10,000
PIPE, FITTINGS & MATERIALS	\$937,216
ELECTRONIC METERING	0
SUPERVISION, OVERHEAD & CONT.	\$335,600
<b>TOTAL:</b>	<b>\$3,017,506</b>

# APPENDIX D

**EXHIBIT E**

**ENVIRONMENTAL ASSESSMENT – ACT 9 CERTIFICATION  
CMS GENERATION MICHIGAN POWER  
Kalamazoo River Lateral  
12 Inch PIPELINE**

**Located in:**

Comstock Township, Kalamazoo County, T 2S, R 10W, Sections 20 and 29,  
Michigan

**Submitted to:**

CMS Enterprises

**Prepared by:**

**Leggette, Brashears & Graham, Inc.  
5787 Stadium Drive, Suite D  
Kalamazoo, Michigan 49009**



## 1.0 INTRODUCTION

This report evaluates the environmental impacts of the proposed CMS Generation Michigan Power LLC, Kalamazoo River Lateral, 12-inch pipeline. The pipeline is approximately 1.0 miles in length and is located in Sections 20 and 29 of Township 2 South, Rang 10 West, Comstock Township, Kalamazoo County, Michigan.

Field work for this report began with a review of the proposed pipeline corridor as provided by Sidock Group, Inc. (representative of Consumers Energy). A field evaluation began at the Consumers Energy Comstock Plant where the pipeline will begin and progressed south to the point the pipeline is expected to connect into an existing gas pipeline at the south terminus of the proposed pipeline (Section 29, T2S, R10W). From the CMS Generation, Michigan Power Plant, the pipeline route progresses west approximately 870 feet along the plant access road; then south approximately 958 feet along Roe Avenue within an overhead power line corridor, then approximately 3,805 feet south and southeast within an established overhead electrical powerline corridor to the existing pipeline connection point.

The proposed pipeline route extends entirely across privately owned property outside any adjacent public road right-of-way (ROW), with the exception of three road crossings. Road ROW crossings will occur at Market Street approximately 95 feet east of the intersection with Roe Avenue, at East L Avenue approximately 120 feet west of the intersection with Floto Street, and at interstate highway I-94.

The proposed 12-inch pipeline will consist of a single 12-inch diameter welded steel pipe installed for the purpose of transporting natural gas. The pipeline will be constructed to Michigan Gas Safety Standards, 22<sup>nd</sup> Edition.

## 2.0 CONSTRUCTION METHODS

Construction will require access roads for clearing, grading, and excavation of approximately 30 feet in width. Most of the route of the proposed pipeline has already been cleared of and maintained free of trees for either the construction of the power plant access road or the overhead power line corridor. It is anticipated that a limited number of trees will be cleared from the pipeline route where necessary to maintain access for heavy equipment. It is anticipated that the open-cut trench method will be utilized to install the pipeline except where improved county roadways and certain wetlands and streams must be crossed. In these instances, horizontal directional drilling (HDD) will be utilized, thereby reducing or eliminating surface land disturbance. However, constructing necessary staging/equipment launching pads will occur at select areas (e.g., areas near road crossings or in segments where HDD piping runs extend feasible limits). These staging/equipment launching pads may be located within certain wetlands. Additional information regarding land disturbance in these areas and measures to minimize impacts is referenced in Sections 4.0 and 5.0.

The excavated open trench along the pipeline route is anticipated to be 2 feet wide by 4-feet deep, with a minimum of 36-inches of soil cover backfilled above the installed pipeline. All excavated materials will be stockpiled temporarily within the pipeline work corridor and then backfilled into the trench/excavation after pipe installation. Individual pipeline segments will be welded to one another prior to being installed in the trench or prior to installation by HDD. After installation of pipeline segments, the trench will be backfilled to original grade and compacted. All areas disturbed by construction activities will be seeded and mulched with a standard mix of perennial grasses, legumes, and a temporary cover mix.

Immediately after installation, the pipeline will be pressure tested in accordance with industry standards and the Michigan Gas Safety Code. Following construction, the pipeline route will be marked by highly visible markers above ground.

### 3.0 EXISTING CONDITIONS

#### 3.1 Land Use and Habitat

On March 1, 2017, personnel of Leggette, Brashears, & Graham, Inc. (LBG) assessed the proposed pipeline route to document and evaluate vegetative communities and special natural features including wetlands, streams, lakes, ponds, or other features of interest. The proposed pipeline route was assessed on foot. Various portions of the proposed pipeline corridor were photographed for future reference if needed. Wetland locations in the field were estimated based on a desktop analysis of publicly available soil mapping data, supplemented by visual observation in the field. All wetlands along the proposed pipeline route were observed on foot. All streams and waterbodies within the proposed pipeline corridor were noted as to location and character including stream width and water depth. Lineal footages of various vegetative communities were determined by computation from scaled aerial photography utilized during the field assessment.

**Table 1** summarizes the existing land use and habitat types along the proposed pipeline corridor. All lineal measurements are approximate and should be used for general planning purposes relative to MPSC Act 9 certification.

**Table 1 – Upland and Wetland Land Use and Habitat Along Proposed Pipeline Route**

Land Use	Feet	Percent
Upland Overhead Power Line Corridor – typically cleared of woody vegetation within right-of-way	1,572	27.9
Power Plant Access Road	875	15.5
Wetland Overhead Power Line Corridor – Primarily emergent sedge and reed canary grass, occasional woody vegetation	3,186	56.6
<b>Upland Total</b>	<b>2,447</b>	<b>43.4</b>
<b>Wetland Total</b>	<b>3,186</b>	<b>56.6</b>
<b>Total</b>	<b>5,633</b>	<b>100</b>

Approximately 43 percent (2,447 feet) of the proposed pipeline route is located within non-sensitive upland habitat types located along either existing access roads or within overhead power line corridors. Approximately 57 percent (3,186 feet) consists of wetland habitats (as defined by Part 303 of 1994 P.A. 451, as amended – Michigan’s Natural Resources and Environmental Protection Act [NREPA]), none of which are considered rare or of special significance in the local area. The proposed pipeline route is shown in **Figure 1**.

#### 3.2 Streams and Other Water Features

Two discrete streams, as defined by Part 301 of NREPA, were identified within the proposed pipeline route, one of which being crossed twice. The approximate stream crossing locations are listed in **Table 2**.

**Table 2 – Stream Locations**

Stream	Location	Avg. Width	Avg. Depth	On USGS Topo Map?
Unnamed Crossing 1	75' north of Market Street	15 feet	3 feet	YES
Unnamed Crossing 2	530' east of Roe Avenue	15 feet	6 feet	YES
Unnamed Crossing 3	700' east of Roe Avenue	20 feet	6 feet	YES

Unnamed Crossing 1 is an intermittent stream that appears to drain toward the Kalamazoo River, through the crossing at Unnamed Crossing 2. Unnamed Crossing 3 is an intermittent stream that appears to drain toward the Kalamazoo River. At the time of the visual reconnaissance, the crossing at Unnamed Crossing 1 was dry and water was present at Unnamed Crossing 2 and Unnamed Crossing 3.

It is anticipated that the proposed pipeline will be directionally drilled beneath all streams and adjacent wetland riparian corridors. Should the open trench method be employed at any crossing, a permit will be required by the Michigan Department of Environmental Quality (MDEQ) under Part 301 of NREPA. Open cut trenching through the adjacent riparian wetland corridor would not be exempt from regulatory authority under Section 30305(2) of Part 303 of NREPA (Wetlands Protection). Due to the nature of existing topography at Unnamed Crossing 1, 2, and 3, the stream crossings will be directionally drilled from adjacent uplands on both sides with no anticipated resulting impact to the streams or adjacent aquatic/wetland resources.

### 3.3 Soils

The Soil Map in **Attachment 1** depicts soil types along the proposed pipeline route as indicated in the National Resources Conservation Service (NRCS) Soil Survey for the proposed pipeline location. The approximate percentage of each soil type is listed based on NRCS soil surveys. The results are also summarized in **Table 3**.

**Table 3 – Soil Types Along Pipeline Route**

Soil Series Name	Slope	Percent of pipeline route	Slope
Adrian Muck	0-1%	55.5	gentle
Oshtemo sandy loam	0-6%	5.5	gentle
Spinks-Coloma loamy sands	18-35%	12.6	steep
Thetford loamy sand	0-2%	25.1	gentle
Urban land-Glendora complex	0-5%	1.2	gentle

**Table 3** shows that over 55% of soils along the proposed pipeline route are Adrian muck, which is a hydric soil, indicative of wetland conditions. The remaining soil types are primarily sandy loam or loamy sand, which is more resistant to erosion. However, some soil types exhibit steeply sloping topography (greater than 20% slope). These soils, regardless of soil type, may require additional measures to prevent soil erosion during and after construction. In addition, finer textured soils may also require soil erosion measures. However, the finer textures indicated along the proposed pipeline route are organic (mucky) in nature and located in relatively horizontal topography. These areas of organic

soils on non-sloping topography may not require soil erosion measures, and are likely the location of wetland crossings. Only about 13% of the proposed pipeline route is located in areas of steeply sloping topography.

### **3.4 Cultural Resources**

Based on a review of publicly available records and site reconnaissance, no portion of the proposed pipeline will be constructed through any of the following:

- a) A public property including obvious property of a school, church, hospital, or park.
- b) Within the limits of a city or incorporated village.
- c) A clearly defined and visible commercial area including a subdivision, business, shopping center, or community development.

### **3.5 Endangered Species**

An inquiry with the Michigan Natural Features Inventory (MNFI) indicated that no unique natural features are known to occur at or near the pipeline route. A summary of the Federal- and State-listed Threatened or Endangered species is provided in **Attachment 2**. No impact to threatened or endangered species habitat is expected to occur because of this project.

### **3.6 Population/Development Density**

The proposed pipeline route extends through existing power plant property and existing overhead powerline corridors, consisting primarily of undeveloped and rural areas of low population density. Specifically, a total of 12 residences were observed within approximately 660 feet of the proposed pipeline. This meets a Class II criteria for the Michigan Gas Safety Code indicating a .6 general design factor for facilities.

### **3.7 FEMA Floodplain Analysis**

Analysis of published maps from the Federal Emergency Management Agency (FEMA) indicates that the proposed pipeline route only crosses the 100-year floodplain at Unnamed Crossing 3, as described in Section 3.2 above. The floodplain area is included in **Figure 2**. The stream crossing will be conducted using HDD; therefore above-grade construction activity is not anticipated to occur within the 100-year floodplain.

## **4.0 ENVIRONMENTAL IMPACTS**

### **4.1 General**

The proposed pipeline will be installed entirely on privately-owned property. Existing road ROWs will not be utilized for the pipeline corridor (except at road crossings) because the proposed pipeline will be constructed within an existing overhead power line corridor. The location of the pipeline within an existing corridor significantly reduces potential impacts to existing resources, including tree clearing and grading, compared to a more direct route which would require clearing trees to establish a new corridor.

After installation of the pipeline, land-use types will generally remain relatively unchanged with the exception of those areas that require tree clearing. In these areas, it is anticipated that plant species currently present in the surrounding landscape will naturally colonize the pipeline corridor. Wetlands

within the proposed pipeline corridor that are directionally drilled will be preserved in their existing condition. Those wetlands where staging/equipment launching pads are proposed will experience limited, temporary impact, followed by natural colonization by existing species present within each specific wetland. Only non-forested wetlands will experience open-cut trenching to allow for pipeline installation.

#### **4.2 Upland**

A good portion of the proposed pipeline route (2,447 feet – 43.4%) is located along existing, upland, cleared trail roads and existing, cleared overhead power line corridors. The installation of the pipeline should not permanently alter the existing habitats, and should not result in significant adverse impact to existing natural resources.

#### **4.3 Wetlands**

Approximately 56.6% of the proposed pipeline route will be located in wetlands (3,186 feet). HDD will be utilized to bore under the wetlands to the extent practicable. The wetland area within the proposed pipeline route consists of one contiguous wetland containing two crossings of improved roadways. The use of HDD will prevent directly impacting the wetlands by construction activities. However, it is anticipated that due to the distance, HDD will require the construction of staging/equipment launching pads to daylight/access portions of the pipe for welding/installation. Construction of these staging/equipment launching pads is discussed further in Section 5.0.

#### **4.4 Streams/Ponds**

All the streams will have the pipeline installed by HDD with a minimum separation distance of 10 feet between the top of the pipeline and bed of the stream. Should streams be crossed utilizing open-cut trenching, a permit from the MDEQ will be required under Part 301 of NREPA.

#### **4.5 Special Natural Features**

None of the vegetative communities along the proposed pipeline route are believed to be identified by the State of Michigan as critical habitat for rare, special concern, threatened or endangered wildlife or plant species (per inquiry with the MNFI on March 6, 2017).

### **5.0 REGULATORY CONSIDERATIONS**

A Part 301, NREPA (Inland Lakes and Streams) permit from the MDEQ is not required to install the proposed pipeline beneath a lake (or pond) or stream provided that requirements of Part 303, Rule 281.832(2) are met. Rule 281.832(2) states that “the use of directional drilling/boring methods to conduct lake and stream crossings will not be regulated by Part 301 of the act if all of the following provisions are satisfied:

- a) A minimum of 10 feet is maintained from the top of the conduit and the bottom of the lake or stream.
- b) The entry and exit points are located far enough away from the lake or stream banks to assure that bank disturbance does not occur.
- c) The drilling or boring sites (pits) are located outside of any applicable natural river designation setback requirements.

- d) The drilling or boring operations will not result in the eruption/release of any drilling fluids up through the ground and into the lake or stream. If, however, the eruptions/releases occur below the ordinary high watermark of the water body, then an after-the-fact permit application shall be submitted with a detailed description of how the crossing was completed, how the eruption was minimized, contained, and cleaned up, and how the site was restored”.

All pipeline stream crossings will be conducted by HDD. However, if a stream crossing is conducted by open-cut trench, then a Part 301 permit will be required for this activity and the construction would be reviewed, permitted, and regulated by the MDEQ.

In order to conduct HDD activities, temporary workspaces (e.g., staging/equipment launching pads) may be required to be constructed within wetlands adjacent to existing road crossings. These temporary workspaces will require an MDEQ/United States Army Corps of Engineers (USACE) Joint Permit to conduct construction activities within a regulated wetland. The project would likely be authorized as a ‘Minor Project in Category 45 (Utility Line Activities)’, resulting in a potentially expedited review and approval process. This includes installation, maintenance, repair, and removal of utility lines provided there is no change in the preconstruction grade, that meet all the following:

- Crossing locations shall be selected to minimize the impact to the wetlands, inland lakes and streams.
- The outside diameter of the pipe, cable, encasement, etc. shall not exceed 20 inches.
- A minimum of 36 inches of cover will be maintained between the top of the cable or pipe and the soil surface. Access areas (e.g., sealed manholes) may be allowed in wetlands if impacts are avoided and minimized. The installation shall use the best available construction technologies that are necessary to avoid and minimize impact when considering the wetlands and waters involved. Additional precautions and construction techniques may be necessary in areas of high quality resources. Use of directional drilling/jack and bore should be given particular emphasis in any area that is prone to erosion, on slopes up-gradient from cold water streams, in forested wetland habitat, in high quality wetlands or wetland types that are locally or regionally uncommon. Stream crossing shall use dry ditch open trenching, and shall be limited to 50 feet per crossing (bank to bank) and a cumulative total of 200 feet per application.
- Wetland crossings using open trenching shall be limited to total cumulative crossing length of 500 feet per application.
- All revegetation of wetland sites must be with plant species that are native to Michigan according to the Floristic Quality Assessment for the State of Michigan.
- The construction of new permanent access roads is not included under this MP category.

In accordance with Part 91 of NREPA (Soil Erosion and Sedimentation Control), standard and commonly employed methods for soil erosion control will be implemented during pipeline construction. In particular, a Soil Erosion and Sediment Control (SESC) Permit will be required in order to complete the proposed work. Therefore, prior commencing work, a SESC permit will be obtained from Kalamazoo County and the work will be conducted in accordance with the permit requirements. Most of the pipeline route is located on level or gently-sloping terrain where soil erosion should not be of

particular concern. The southern end of the proposed pipeline route has more steeply sloping terrain. In this location, and particularly at wetland and stream boundaries, standard soil erosion measures, such as placement of silt fencing, proper stockpiling of spoils, and seeding/fertilizing/mulching, will be implemented to protect potentially sensitive habitats and prevent soil erosion. Most upland portions of the pipeline route exhibit sandy or loamy sand soils per the NRCS Soil Survey and the potential for significant soil erosion appears to be minimal. Where necessary, the proper precautions and soil erosion measures will be implemented including, but not limited to, proper installation of silt fencing, application of topsoil, seed, fertilizer, and mulch to all areas of exposed earth, construction of check dams, water diversions, or other structures.

## **6.0 MEASURES TO MINIMIZE NEGATIVE ENVIRONMENTAL EFFECTS**

Coordination of construction activities with affected utilities will be performed and Miss Dig will be notified prior to any construction activity. Noise from construction activity will be limited to daylight hours as much as possible with the exception of HDD activities. During HDD of roads/streams/wetlands the activity will continue until the specific drilling operation is complete, although this is generally a short-term activity.

In accordance with Part 91, NREPA (Soil Erosion Control) the proposed pipeline route will be stabilized as soon as practical after construction and revegetated with grasses to minimize erosion potential. Additional soil erosion measures will be implemented where necessary to protect natural resources, particularly wetlands, streams, and other aquatic resources. Areas with steep and moderately steep slopes (greater than 6% slope) will be stabilized immediately after construction. Dust will be reduced by keeping open cuts and extensive open lengths to a minimum.

Any stream crossing utilizing open cut/flume methods will be completed in one continuous operation and adhere to best management practices for construction and soil erosion control measures. In addition, pipeline crossings of wetlands streams, or other aquatic habitats will adhere to all agency permit requirements.

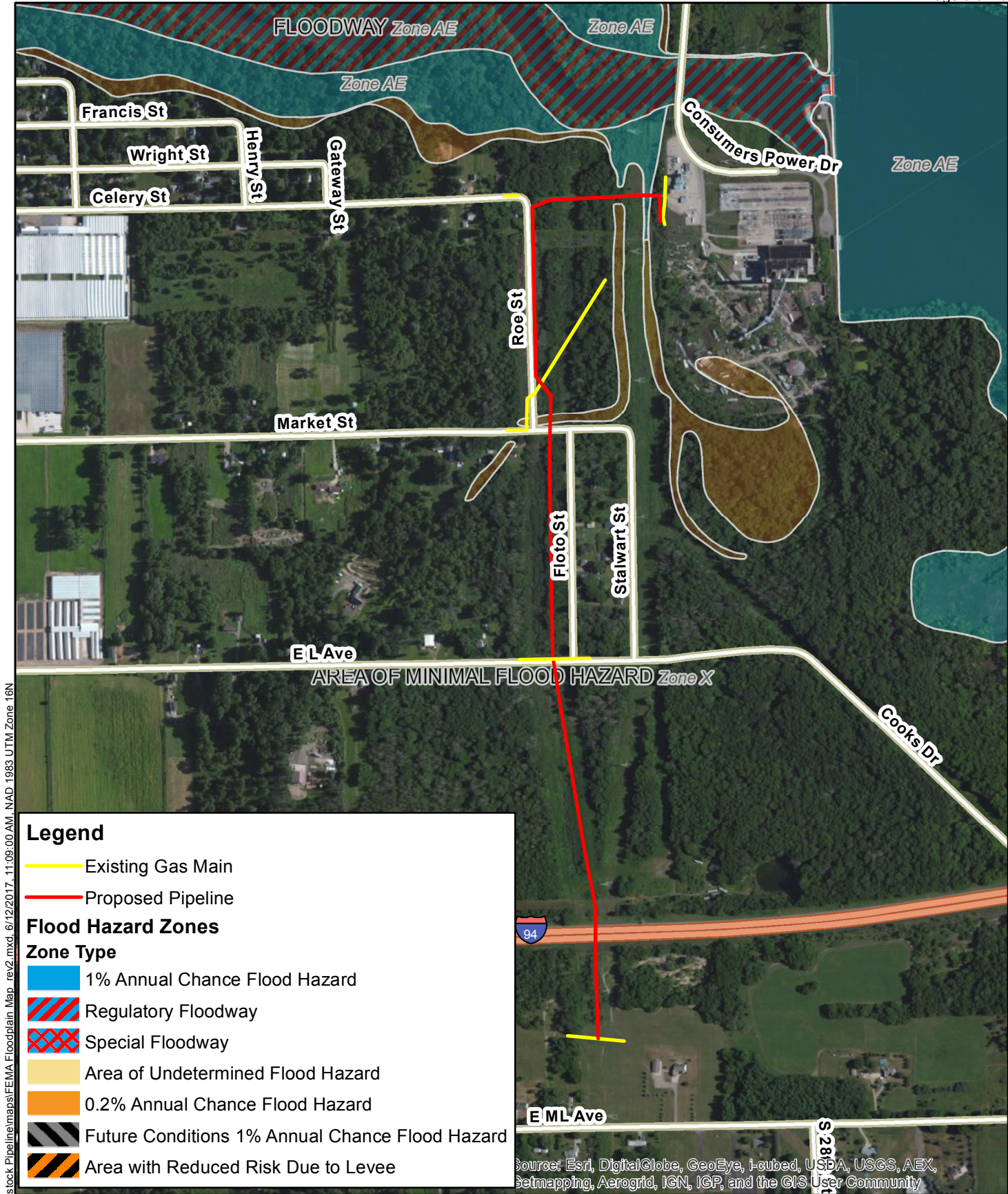
The Kalamazoo River Lateral, 12-inch pipeline will be constructed in accordance with the Michigan Gas Safety Standards, 22<sup>nd</sup> Edition. It will be inspected annually for leakage as outlined in the Michigan Gas Safety Code.

## **7.0 CONCLUSION**

The proposed project is intended to enhance the utilization of hydrocarbon resources in the State of Michigan, as a matter of public convenience and necessity. The pipeline will allow for increased natural gas energy production by the CMS Generation, Michigan Power, Plant. Installation of the proposed Kalamazoo River Lateral, 12-inch pipeline will not result in significant adverse impact to existing natural resources. HDD will be utilized to install the pipeline beneath potentially sensitive wetland habitats, preventing impact to the wetland habitats. A MDEQ/USACE permit will be required for construction of the workspace areas in wetlands.

The proposed pipeline route is located along existing, cleared trail roads and existing, cleared overhead power line corridors. Therefore, the construction of the pipeline is not anticipated to cause permanent changes to the land use or impact to the habitats.





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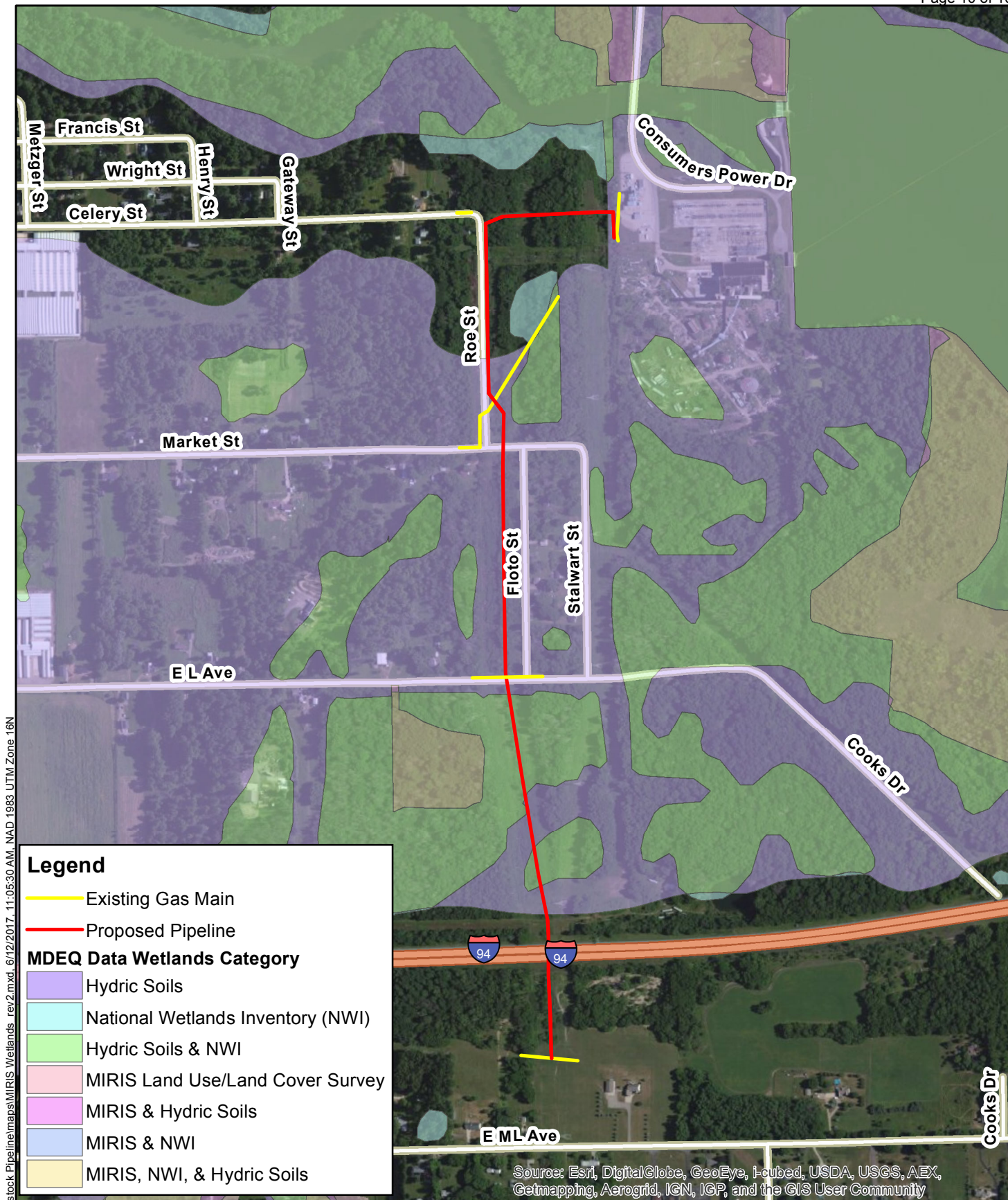
Prepared By:  
LEGGETTE, BRASHEARS & GRAHAM, INC.  
Professional Groundwater and  
Environmental Engineering Services  
5787 Stadium Drive, Suite D  
Kalamazoo, MI 49009  
(269) 330-3872

CMS GENERATION MICHIGAN POWER LLC  
COMSTOCK, MICHIGAN

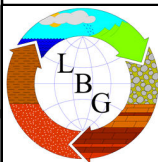
KALAMAZOO LATERAL WITH FLOOD HAZARD ZONES

FILE: FEMA Floodplain Map\_rev2.MXD | DATE: 6/12/2017 | FIGURE: 2





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**CMS GENERATION MICHIGAN POWER LLC**  
COMSTOCK, MICHIGAN

**KALAMAZOO LATERAL WITH MIRIS MAPPING**

FILE: MIRIS Wetlands\_rev2.MXD

DATE: 6/12/2017

FIGURE: 1

# APPENDIX E

### **Kalamazoo River Lateral Pipeline Report Requirements**

These reporting requirements are to be completed as specified below. MPSC Staff will be granted 60 days to review and request clarification.

#### **Post-Construction**

*Shall be filed in the U-18422 docket within 60 days after completion of construction.*

1. As-built alignment maps showing the following information:
  - a. New pipeline
  - b. Locations of bores or directional drills
2. Pressure test reports for the newly constructed pipeline
3. Detailed cost breakdown showing the following detail:
  - a. Survey
  - b. Permitting
  - c. Legal
  - d. Real Estate
  - e. Right-of-way & Easement
  - f. Materials – pipe
  - g. Materials – other
  - h. Engineering and Design
  - i. Construction
  - j. Environmental
  - k. Lab Services
  - l. Miscellaneous Other Services
  - m. Admin & General Overhead
  - n. Total cost
4. Narrative describing any notable circumstances including but not limited to:
  - a. Route deviations
  - b. Significant unexpected costs
  - c. Significant unexpected cost savings
  - d. Ongoing landowner or environmental impacts
  - e. Ongoing legal issues
  - f. Restoration status

*Shall be submitted to Staff within 60 days after completion of construction.*

1. Provide staff with a .kmz file including the following layers at a minimum:
  - a. Proposed pipeline
  - b. Existing pipelines

- c. Parcels with landowner information
- d. Bores or directional drills
- e. Permanent right of way owned (if width is defined)
- f. Wetlands

# APPENDIX F

**LEGGETTE, BRASHEARS & GRAHAM, INC.**

**PROFESSIONAL GROUNDWATER AND  
ENVIRONMENTAL ENGINEERING SERVICES**

5787 Stadium Drive, Suite D  
Kalamazoo, MI 49009  
269-330-3872  
[www.lbgweb.com](http://www.lbgweb.com)

July 21, 2017

Mr. David Dowhan  
Director, Development  
CMS Generation Michigan Power, LLC  
One Energy Plaza  
EP11-411  
Jackson, MI 49201

**Re: Proposed Natural Gas Pipeline  
CMS Generation Michigan Power, LLC  
Kalamazoo Lateral  
Comstock Township, Michigan**

Dear Mr. Dowhan:

Leggette, Brashears & Graham, Inc. (LBG) completed a review of the National Register of Historic Places Program Database and the Michigan State Historic Preservation Office (SHPO) regulations to assess the potential for archeological resources in the area of the proposed project. Based on our review of the information, no properties on the National Register of Historic Places were identified within a one (1) mile radius of the project site. Further, the Michigan SHPO only requires review activities of historic places and cultural resources under Section 106 of the National Historic Preservation Act of 1966 if federal actions are involved in the project. Section 106 applies only if a federal agency is carrying out the project, approving it, or funding it. If construction activities occur within a regulated wetland, a MDEQ/United States Army Corps of Engineers (USACE) Joint Permit will be required. In this case, the USACE conducts a Section 106 review on behalf of the applicant before permit authorization is granted. If other federal funding or permitting is involved other than a USACE permit, it is likely that the project applicant will need to complete a review of Michigan SHPO records and/or complete a pedestrian survey to evaluate the need for further investigation.

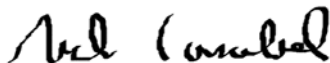
LBG appreciates the opportunity to perform professional services for CMS Generation Michigan Power, LLC. If you have any questions or comments concerning this letter, please contact me at (269) 330-3872.

Sincerely,  
LEGGETTE, BRASHEARS & GRAHAM, INC.



Rob Peterson, PG, PWS  
Senior Environmental Scientist

Reviewed and Affirmed by:



Nicholas Larabel, PG, CPG  
Senior Hydrogeologist